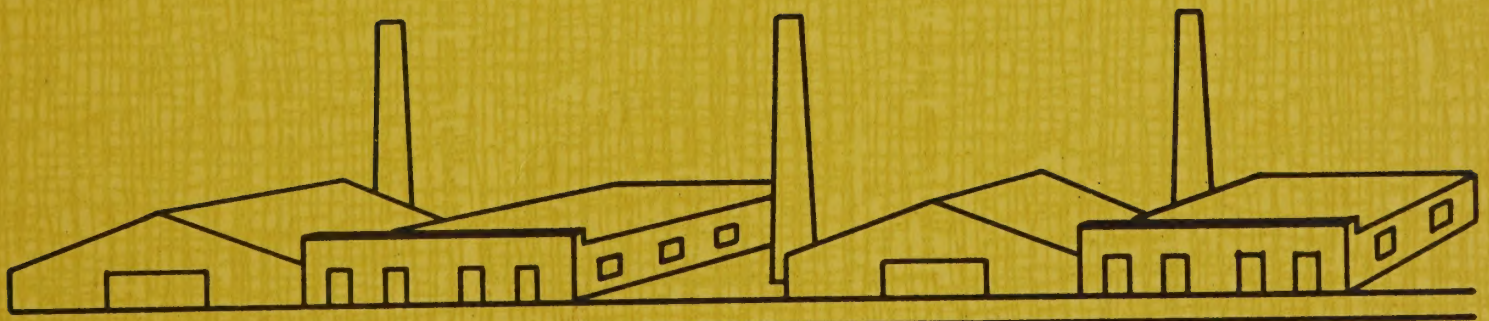


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POST WAR FUTURE OF A WESTERN COMMUNITY

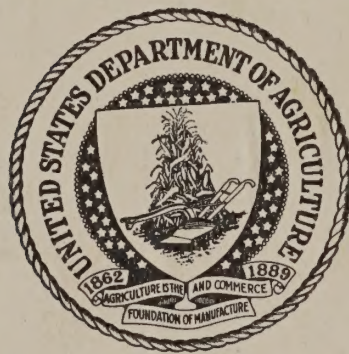


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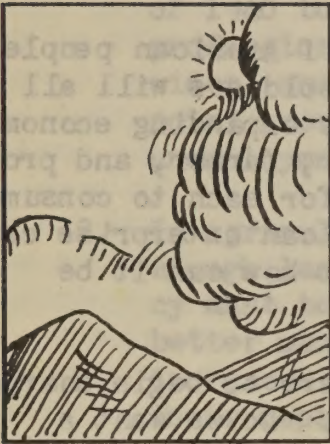


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POST-WAR FUTURE OF A WESTERN COMMUNITY



Our working force in this country is 60 million people. Their full employment in war is necessary. Battlefields make a gigantic market. The demand for weapons and goods is almost unlimited.

When peace comes what will we do with the products of 60 million workers and all our machines?

For a while we will supply goods to crippled countries. We will restock our shelves and throw our ration books away. We will buy automobiles, trucks, tractors, and airplanes. We will retool and remodel our factories. Some women will go back to homekeeping and some young people will go back to school.

For our main working force -- 60 million workers, farmers, and professional people -- what conditions in 1947? Jobs, pay-checks, and markets? Or more WPA, more 20 cents a pound for butter, more depression?

Such a problem is not solved simply by choice. Naturally we choose full employment and full dinner pails. But who knows how to get where we want to go? We have a baffling job to do during this war -- we must learn to think and act in such a way that full employment will be as permanent and native to this country as the Rocky Mountains.

During the first year after peace is signed 20 million American service men and war workers will be demobilized. They must find their places in peace-time life. Later, another 12 or 15 million will be demobilized from war jobs and uniforms. This many people, 35 million strong, will be demobilized from factories, camps, barracks, and battlefields. Some will have maimed or crippled bodies. Minds and emotions will be trained by war, not peace. War experience will have stressed group life away from the home. Family ties will be weakened, often shattered. And on top of all this, many young men will be dead.

The Federal government will owe a new debt of 385 billion dollars spent for war and it will face the need to spend many more billions for peace. A sluggish, stagnant 1930-40 economic life cannot carry that burden. Both wealth and ability to carry debt are created by work, not by unemployment. No strategy of

defense will win any sector in this post-war battle. The depression forces will not be held by a WPA line this time.

The solvency of government, the welfare of American people, and the future opportunities for demobilized soldiers will all depend upon our ability to organize a vigorous expanding economic life, offering full employment to every worker, farmer, and professional person, along with the opportunity for each to consume his full share of the goods and services American enterprise can produce. No one disputes this objective. But how can it be attained in a battered, bruised world?

It is time now for common people everywhere to begin sharpening their thoughts about the post-war problem. Do we want a Beveridge plan? Do we believe every man has a right to a regular full-time job? What will be the place for women in industrial life after the war? What can be done to make opportunities for full employment of people and full markets for the goods they produce?

One way to get at these questions is to look into familiar scenes nearby. This article was written for that purpose. One representative county in western Oregon was examined to see what could be done to avoid a post-war depression. Linn County, Oregon was chosen. A community like this is subject to every great decision and condition that affects the whole country. It also contributes to the life of the whole country. Conditions in Linn County may not be entirely typical, but they are real. If the post-war battle can be won in Linn County, it can be won wherever people work, farm, and trade.

Ideas of national importance were brought to bear on this county. The census information of 1940 was interpreted from the post-war viewpoint. A policy for full employment and conservation of land and people is suggested. The ideas expressed are leading thoughts open for discussion. They may be a mile wrong, but then what is the right answer? This is an invitation to free discussion.

We are all going to embark after this war on a voyage into uncharted seas. And we are all going in the same boat. We may hit a reef, we may be torpedoed, or we may reach the promised land. The sea is uncharted but we should take what scientific instruments we have, and we should plan the voyage to the best of our ability.

Eight planks for a post-war platform were kept in mind while this report was written. The reader may as well ponder them. He might have used others, or added to these.

1. Farmers and workers must have the opportunity to earn at least \$1500 net income annually, in terms of 1940 buying power. Our farms, factories, and professions can produce this much goods and services, and more. To allow consumption below that point among any large group of people will create unemployment and curtail the market outlet.
2. In agriculture, bonafide farm families must have enough land to be fully employed, and their efficiency must be generally improved through the use of better management and modern machinery. Their increased income must be based upon an increase in their capacity to produce wealth.
3. Where there are part-time farms see that there are part-time jobs or other incomes to go with the farms, to make up a full year's income. Otherwise place public influence against the increase of small poverty units.
4. Offer retirement under a suitable old-age security plan to aged workers and farmers, to release jobs for younger people and at the same time to maintain an adequate living level for aged people.
5. Place natural resources which support employment, such as forests, under public management and conservation, so the economic basis for whole communities will not be cut away.
6. Inaugurate a housing program to meet a practical need, and to create employment.
7. Create a health service program, both preventive and remedial, to meet a practical need and provide employment for demobilized professional people in this field.
8. Create a high grade public employment program to conserve and protect natural resources, and to build and beautify settled communities. Pay wages at levels justified by our capacity to produce. American farms and industries can produce the goods and services needed by these extra workers. See that the public works projects have real value and recognize this value in the assets column of the nation's bookkeeping.

LINN COUNTY



This community is in the middle of the Willamette River Valley, between the Cascade Mountains and the sea. The county seat is Albany. Lumbering, agriculture, and trade each supported about a third of the population in 1940. Forests and farm land are the primary resources. The main industries are milling and manufacturing of wood products. Agriculture is diversified, from cows to walnuts. A great deal of seeds, cannery beans, flax, sheep, hogs, hops, and berries are produced. Trade serves people who depend on the land and the forest. The climate is mild. Elevation ranges from 150 feet above sea level in the populous valley floor to 5000 feet in the Cascade Mountains. Rainfall averages 40 inches annually.

Eighty miles to the north is Portland, where Kaiser ship-building plants, Commercial Iron and Steel, Albina, Alcoa, and a dozen other great establishments are making a fleet of ships and cargoes of weapons. Two hundred and fifty miles north, at Seattle, Boeing plants are making a cloud of airplanes, a great naval base is operating, and ships are built. Linn County is within the economic domain of these industrial centers. Workers have gone to these cities to be employed for the duration of the war. After the War these people may return and hundreds of other workers, originally recruited from the east and south, may pour out into the Willamette Valley, seeking security on the land.

Linn County had 30,485 people in 1940. The working force was 11,400 men and women. Three thousand two hundred fifty farmed, part-time or full-time. About 2,000 logged and milled lumber. Nearly 900 were unemployed. Three hundred fifty were in WPA and other emergency work. Seven hundred were farm workers. Another 220 were unpaid farm family workers. The balance of about 4,000 had other occupations, such as shopkeepers, craftsmen, school-teachers, common laborers, and public employees.

Generally speaking, the economic life of the county was running along in intermediate gear although to the casual observer the community may have seemed to be prosperous. A majority of the people had family incomes to spend of less than \$1,200 a year. Retail clerks received average yearly incomes of \$908; those in Albany, the county seat and largest town, \$973. The base pay for mill hands and timber workers was about \$.55 an hour and averaged \$75.00 a

month. Farm workers received about \$2.50 per 10-hour day and averaged \$55.00 a month. Over two-thirds of the farmers had gross incomes of less than \$1,500, including produce raised for home use. Their average gross farm income was \$570 per year. The typical small farmer had one leg in agriculture and the other in industry, where he got supplementary income from wages.

This was not a good record - not as good as we must make after the war if we are to lick depression and create abundance. Low earnings among a majority of the farmers, workers, and business people in Linn County cut down their consumption of goods and services, making unemployment both in the county and in other parts of the United States where goods are made to sell in this community. At least one-third of the working force was unemployed, under-employed, or ineffectively employed, producing below par and consuming below par.

Temporarily this has changed. Recruitment and mobilization for war have siphoned off many of Linn County's extra people. Others have temporary jobs in the community since the great war market has boomed many local enterprises. Timber is being cut at the rate of 500 million board feet annually, twice the yearly growth of trees. The mills, plywood plant, and paper industry are working at capacity. Farmers are cultivating every possible acre. Right now there are no extra people in Linn County; everyone is busy.

AGRICULTURE



Linn County farm land was settled by pioneers who took donation land claims after 1850, settling first on the broad Willamette River Valley terraces. Sons and daughters of these old families subdivided the donation claims into moderate sized farms of 80, 160, or 200 acres. Where the land was poor, in the "white land" prairies, later comers often increased the holdings to fit extensive enterprises, mostly sheep and seed production. The hill land and richer valley lands near the rivers were cleared of trees and settled. By the time World War I came, the family farm was in full evidence, with strong community life centering around the neighborhood store, church, grange, and school.

That day passed, although memories of it still linger, and many fine old farms in the family pattern remain. Their number, however, is decreasing.

The farm depression beginning in 1920, and lasting through 1940, brought profound changes, caused by low prices, unemployment in towns and cities, improvement in farm machinery, and application of modern business techniques to agriculture. What happened may be stated very briefly:

1. Stronger, younger, better-fixed or more enterprising farmers bought out their neighbors, who were debt-ridden, older, or otherwise inclined or compelled to sell.
2. The larger operators got rubber-tired tractors and heavier machinery; handled more land with less labor. They learned to produce more efficiently than most of their neighbors. As one farmer operating ten farms put it: "All of my equipment, including the combine, is on rubber, a little distance doesn't make much difference."
3. People from the cities and towns bought or rented small farms of 3, 5, 10, or 20 acres, to get security by raising food for their own use and some to sell. Real estate agencies and owners of land cooperated by subdividing and selling or renting small tracts. Some farmers who sold out to larger-scaled operators ac-

quired these small farms. The timber and milling industry helped the trend by offering employment to part-time farmers.

4. As a net result, large farms increased in size and number, and small farms increased in number. Middle-sized family farms decreased in number. These trends are shown in Table 1. Farms over 1,000 acres in size increased 71% from 1920 to 1940. Those under 50 acres increased 69%. Middle-sized farms, 50 to 260 acres, decreased 15%.

Table 1 - Change in Number of Farms by Sizes

Linn County, Oregon - 1920 to 1940

Range in Size of Farms	Number of Farms in 1940 <u>1/</u>	Number of Farms in 1920 <u>2/</u>	Increase or Decrease in Farms by Size Between 1920-40
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<u>Acres</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
All sizes	3325	100.0	3041	100.0	+284	9.3
Under 50	1221	36.7	721	23.7	+500	69.3
50 - 99	610	18.4	623	20.5	- 13	- 2.1
100 - 259	958	28.8	1219	40.1	-261	-21.4
260 - 499	393	11.8	371	12.2	+ 22	5.9
500 - 999	114	3.4	90	3.0	+ 24	26.7
1000 & over	29	0.9	17	0.5	+ 12	70.6

1/ Census of Agriculture, Oregon, 1st Series, 1940, Table 3

2/ Census of Agriculture, Oregon, 1st Series, 1920, Table 2

By 1941, according to AAA records, 71% of Linn County farm land was handled by tenants or by owners who were also tenants. Each of fourteen multiple unit farms contained 1,000 acres or more. The largest covered 3,125 acres with 2,209 cultivated. Sixty percent of the farms over 500 acres in size were multiple farms, and, therefore, included several previous family units. The total acreage contained in multiple farms in 1940 was 13,644 or nearly 40% of the total acreage farmed in the county.

During the 20-year period from 1920 to 1940, 500 farms under 50 acres in size were created. The increase in number of farms of all sizes was only 284 (Table I). Meantime, the total acreage of land in farms in Linn County increased only 12,000 acres, and large-scale farms were also on the increase. These large farms absorbed an area easily equal to 12,000 acres. The small units were subdivided out of larger family farms or they were new stump ranches located near logging operations and mills.

The operators of these small farms would best be described by the kind and amount of outside employment they obtained. Some worked in logging operations and mills. Nearly 500 of them worked for larger farmers during the busy season. Others located near town had jobs at trading or service occupations. Another kind of small farmer had 20, 30, or 40 acres and from \$1200 to \$1500 worth of products to sell each year. He had too much farm responsibility to take advantage of the labor market, and too small a farm to produce a satisfactory living.

These subsistence farmers have been in chronic trouble. Their farms usually require only 100 to 150 day's labor each year, and the busy period comes when employment could be obtained off the farm. The operations are too small to justify investment in a good efficient line of farm machinery. Cost of production is necessarily high because a large amount of man labor and investment must be charged against a small amount of produce. Such an acreage included in a large-scale farm would only use a fraction of the year's labor of one man, and the cost for machinery service in producing crops would be only a small item considering the total acreage covered by the machinery in a year. These small farms have wasted labor and machinery investment while producing a low net income for the operator and his family. The same reasoning applies more or less accurately to the entire part-time and subsistence farming group.

The land subdivision trends in Linn County make a perfect setting for post-war catastrophe. Control of commercial farming opportunities is passing to fewer operators. Less successful farmers have been attracted to war industries, leaving an open field for expansion by those who remain. After the war, less rather than more people will be able to engage in farming, except as farm workers. Land for ex-service men would have to come out of larger scale farms, consolidation of small farms, or through development of new land, provided an expanded market can absorb more products.

Meantime, a great reservoir of potential subsistence farmers is being accumulated in war industry centers throughout the surrounding country. These war workers will be poised for flight to the land when peace is signed. Many town people are now buying small farms as a hedge against the day of unemployment and depression.

In other words, the trend toward large-scale, mechanized farming is going ahead at full speed, while meantime a tremendous new crop of subsistence farmers is being prepared, ready to move on to very possible subdivision of good or poor land. The relatively small area of farm land which is not controlled by full-time or large-scale operators is subject to being loaded with many times the number of families it will support. Their future would be one of general poverty and failure.

Neither the county or state laws in Oregon prevent or restrict the free privilege of any person to settle on a poverty location. Cut-over lands, shoe string valleys, forests, deserts, and suburban farming tracts are open to unrestricted settlement. Zoning laws and regulations, locally administered, have proved to be an effective method for preventing repeated failure by families who settle on land or farms proven unfit for agriculture. Laws of this kind do not solve the main problem; namely, to create opportunities for people to make satisfactory livings. The use of zoning laws now, however, might make it possible to tackle this larger problem without the handicap of unwise settlement. A golden opportunity exists now to establish a constructive control through zoning regulation, while rural areas are relatively free of surplus population. If action is delayed until the woods, hills, and farm plots are teeming with people, one of the opening battles in the post-war campaign against depression will be lost.

Farm Income

American agriculture was organized on the principle that one family's labor spent on the land would yield enough income to give security and a decent living. Crops and livestock would yield enough in the market place to pay production costs and leave a margin for family living, taxes, and necessary payments on a mortgage or purchase contract in order to provide an income base for old age. The family garden, and the skills of the housewife in preserving food, added to the net income. The whole family

worked at the mutual enterprise, but the housewife was not expected to do field work, nor was the farm intended to be a sweatshop for children. They were expected to go to school. The size of the farm was to be large enough to use the operator's labor and his management ability, with some extra help perhaps at harvest time. That was the American family-sized farm, - - Thomas Jefferson's cornerstone of democracy.

The inventor and the scientist have raised hob with Thomas Jefferson's idea, to say nothing of the real estate salesman, the machinery salesman, and the business genius. Forty years ago the farmer with a 14-inch plow and team of horses, plowed $1\frac{1}{2}$ to 2 acres a day. Today that man's labor with a gang of plows and a diesel tractor covers 12 or 15 acres by day, and the outfit can work all night too if necessary. If one man could farm 60 acres in those days, he can handle 300 today. This is the industrial revolution in agriculture, the new American farm. The family idea is becoming submerged; machinery, workers and management are tending to determine the size of farm.

The income of a farmer depends in part on the price he receives, but still more upon the volume of products he can raise and sell. Does the farmer have machinery, a modern setup, good business management, and enough acres to use it? If he does not have these things, he is battling with poverty over the long run, regardless of the price he gets for what he raises.

The incomes of Linn County farmers have been analyzed with this idea in mind. Here is the picture, given in Table 2.

Table 2 - Gross Income Per Farm, Including the Value of Products Used by the Household - Linn County, 1939.

Income Group	Number of farms in Groups	Per- cent	Total Gross Income	Average Gross Inc. Per Farm	Percent of total Produced by Group
Under \$400 ^{1/}	873		\$ 184,634	211	
400-599	399		196,503	492	
600-999	541		425,675	787	
1000-1499	393		476,451	1212	
Sub-Total	2,206	67.9	\$1,283,263	582	22.8
1500-2499	423		824,637	1932	
2500-3999	307		959,262	3124	
4000-5999	173		838,154	4844	
6000-9999	86		644,689	7496	
Sub-Total	989	30.4	\$3,266,742	3303	57.9
10,000 and over	54		1,090,459	20,186	
Sub-Total	54	1.7	\$1,090,459	20,186	19.3
TOTAL	3,249	100.0	\$5,640,464	1,736	100.0
Add farms with no products sold, traded or used					
	76				
GRAND TOTAL	3,325				

^{1/} Total under \$400 excludes farms with no products sold, traded or used by farm household.

One-third of the farmers in Linn County produced over three-fourths of all products sold, traded or used in 1939. The other two-thirds received an average gross income of \$582, including the value of products used by the household. Fifty-four large scale farmers, with gross incomes over \$10,000 received nearly as much farm income as 2200 farmers at the other end of the scale. Family farms, in a gross income class between \$1500 and \$10,000, were in a minority but they still produced 58% of the products.

These are gross income figures. Most types of agriculture in Linn County absorb 40% or 50% of gross income in direct production costs. That means we would have to go down through the \$2499 gross income class in Table 2 to find a group with \$1500 or

more to spend for family living, education, health, and recreation, unless outside income is received from some other source.

Out of 3,249 active farmers, 2,629 were either living on the edge of poverty, or they were depending on other outside income. The welfare and security of 80% of Linn County's farmers depended upon extra income from some source outside of agriculture such as work for wages, a business enterprise, money saved and invested, contributions from relatives, or public assistance. Where such supplemental income was not obtained the families had low living levels, and they were an ineffective part of the consuming public. This fact should be marked up in cardinal red letters by whoever plans or considers the post-war future of Linn County people. Out of 3,249 farmers, relatively few seemed able to earn as much net from agriculture as would be earned by a reasonably well-paid stenographer. Others may have received sufficient income, but they would have to turn to other sources except farming.

How many received outside income, and how many were only subsisting on the soil? At least part of the answer can be given. According to the agricultural census, 1,381 farmers worked outside for wages an average of 140 days in 1939. The population census classed 841 of these small farmers as laborers, rather than as farmers because their wage income was greater than their income from farming. Seven hundred seventy-nine worked more than 100 days at outside employment. Of all those who worked for wages, 482 received their employment from other farmers. The other 989 obtained non-farm employment.

The balance of the small farmers were depending mainly or entirely on farm incomes. They were a disadvantaged group competing with larger-scale farmers who used little labor to produce a great deal of commodities, and who spread machinery, housing, and family living costs over a large acreage of land. These small farmers were weak in the production line and consequently they would be unable to consume very much goods and services in the market place.

The trend toward an increase in the numbers of small subsistence farmers is clearly evident, and it is filled with post-war danger. Suppose the small subsistence farmer comes back in still greater numbers after the war, crowding onto a still smaller land base. Suppose he still produces a barren subsistence of \$400 or \$500 a year, shuttling back and forth between the relief roll and a part-time job, producing below par and consuming below par. What prospect does that kind of a pattern hold as a way to fight depression.

The answer is plain. If the farm income picture photographed in Linn County in 1940, is found again in 1946, enlarged, the fight against depression will be at least half lost. That picture does not offer opportunities for demobilized soldiers and war workers, either as farmers or as industrial workers producing goods for sale.

The production plant in the United States will be capable of producing \$100,000,000,000 worth of consumer goods and services, in 1940 dollars, within three years after peace is signed. Full employment at 1947 efficiency, with a plant converted for peace-time use, would yield that product. That means the nation's working force, including farmers, needs the opportunity to earn an average of nearly \$2000 apiece in addition to savings, if the goods and services are to find a market. Foreign trade may drain off some of the products but other goods would be received in exchange for those sent abroad. The problem of full employment and consumption must still be solved at home. The exact place where this problem must be tackled is among such groups as the low-income farm families in Linn County. For each such family there are two reasons to seek a solution, one concerning the welfare of the family involved, and the other concerning the welfare of a worker who needs a job producing goods low-income people will need to consume.

Gearing Agriculture to Fight Depression

The post-war challenge facing Linn County agriculture is to help create the conditions for full, efficient employment of its working farmers. The community cannot prosper, or offer expanding employment opportunities while so many small farmers try to subsist in agriculture without the land, machinery, or management required to earn a decent American living. The problem of getting a better distribution of land must be tackled; also the opportunity to use labor saving machinery and better management must be put within reach of all farmers.

Agriculture in Linn County cannot offer opportunities to as many farmers as this industry has tried to support in the past. This fact may as well be faced. Consumers cannot be expected to pay for the inefficient employment of people in agriculture. And these small farmers do not want to be poor. The industry should be geared to offer as many real bona fide opportunities as possible to farm families, and those additional

people who would inevitably live in poverty need some free choice to earn a full post-war income at other occupations. The major fields for expansion of enterprise are outside of agriculture. Only by this route can a productive vigorous, economic life be attained.

The 1940 census figures give some light on the number of farming opportunities in Linn County, and these should be noted.

The gross product in that year was \$5,640,464, divided in a ratio of about 1-3-1 between 54 large farmers, 989 middle-sized farmers, and 2,206 small farmers.

Now if we assume a net income objective of \$1500 as one unit of opportunity in agriculture, we would have a yardstick to count opportunities, at least roughly. Since the production figures are gross, the next step is to find out how much gross income \$1500 might represent. We would find that most types of farming in Linn County usually take about half of the gross income for production costs. This varies by crops and enterprises, but the figure is a good workable average. Therefore, a \$3000 gross cash income would be necessary to yield the desired \$1500 net income objective.

Applying this figure to the Linn County record for 1940, it appears that an average income of \$3303 was received by the middle group of farmers, 989 out of 3,249. The average is in line with our objective, but 423 of the farmers in the lower end of this bracket were definitely below par.

There were 54 farmers producing over \$20,000 gross income apiece in 1940. It would be practical and possible to provide opportunities for 120 additional families somewhere within this land base, by a reasonable subdivision of land. This should not destroy the efficiency of these larger farms, since they would still be producing more than \$10,000 gross income on the average. Only by such a method can any appreciable number of farming opportunities be found quickly for ex-service men in Linn County.

There were over 2,252 farms with gross incomes below \$1500, producing an average of \$412 in cash returns. After making due allowance for about 1,000 part-time farmers, which evidence shows might have some real opportunity for part-time

jobs, the gross income yardstick can be applied. It would show opportunities for about 228 farmers, that could be obtained by consolidation of small farms.

This very rough measure would indicate that in 1940 Linn County had real opportunities to offer about 1,391 full time farmers, plus 1,000 part-time farmers. The labor force of about 858 families could be released to other fields to produce wealth and income they would not be able to produce or receive on small subsistence farms.

An expansion in Linn County agriculture can provide some opportunities for these small farmers. The industry is limited mainly by the market for products. It can expand a great deal as increased population in the Northwest and stronger purchasing power in urban centers justify greater production. Part of this expansion can come from irrigation, drainage, and land clearing; part from more intensive cultivation. The U. S. Army Engineers consider over 200,000 acres of Linn County crop land to be irrigable. Water supplies are abundant both from sub-surface pumping and by construction of storage reservoirs and irrigation canals. Irrigation of 75,000 acres is considered probable in the near future. This area is not new land, but largely supplemental development of crop land now in farms. However, experience shows that irrigation practically doubles the amount and value of crop production. Using the same approach discussed above, opportunities for more families could certainly be made. The expansion within easy reach during 10 years after Peace Day, through irrigation, drainage, and land clearing can provide for an increase of 250 farms in the county, and some such schedule of development should be planned. Part of these opportunities might well be reserved for demobilized service men whose vocation is agriculture, and others might meet the needs of subsistence farmers.

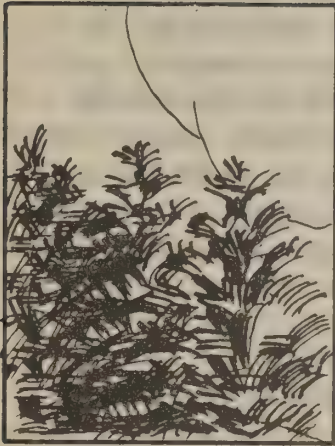
Adding 250 to the previous total; the rough index of opportunities in farming becomes 2,641, with 1,000 of these being part-time farms. The sum is 608 less than the number of farms in Linn County in 1940.

A change of this kind can strengthen the producing and consuming capacity of farm people in Linn County, facing squarely the fact that such a policy is necessary to fight depression. An overstaffed, relatively inefficient basic industry would raise the earning ability of its low income

producers, and decide approximately how many people it could maintain above the depression level. It would accept responsibility to produce efficiently, and use better management and modern labor saving methods to attain that objective.

One industry so organized cannot win the post-war battle alone. However, its personnel can be full producers and full consumers, and that is the desired goal all the way up and down the line. In Linn County this adjustment would result in the employment of less people as farmers. That fact need not dismay anyone, because the labor and skill of a man are instruments to produce wealth. It is our challenge to create ample opportunities for the useful and significant employment of people who are not needed on farms.

EMPLOYMENT IN FORESTS AND MILLS



Linn County's second great resource is its timber; its farm land is the first. In 1940, 323,000,000 board feet of lumber was harvested and milled. For each million board feet, 4 workers were employed in logging and 5 workers were employed in mills and plywood plants. This industry uses about 9 workers for each million feet of timber harvested each year. Part of this employment is outside of Linn County, however, for some of the logs are either hauled by railroad or floated down the Willamette River to Portland or Columbia River mills. In 1940 the timber out in Linn County forests gave direct employment to about 3,000 workers, and 1,700 had their jobs in Linn County.

By 1942, the great war demand had increased the harvest to about 500,000,000 board feet, and the rate of cutting may now be even higher. Linn County's timber boom is still in full swing. A forest that grows 250,000,000 feet of marketable timber annually is being cut at double that rate. About 4,000 or 4,500 workers are drawing their payroll from this enterprise. Wood products are being supplied for war, and a great forest is being cut. Any comment about the wisdom or logic of over-cutting is purely beside the point. This is war, and the nation needs lumber. But out of this setting will come the peace time problem. Logs cut now cannot give jobs to workers after demobilization day. Our question is this: What will be the opportunity for employment in Linn County's forest and timber industry when peace comes? We must try to answer that question.

Linn County certainly desires a permanent, vigorous timber industry, to give jobs to its people and strength to its communities; however, the trends are contrary to that objective. What is taking place here is the liquidation of one of the last great stands of virgin timber in the United States. And the process is being hastened by the war. Normally, the industry would migrate to another good stand of virgin timber after the Linn County job is done, perhaps in 1955 or 1960. But this time the job will be done ahead of schedule, and there will be practically no place to migrate. We have two problems wrapped into one: the post-war employment problem of a community, and the management problem of a great industry. They must be considered together.

The private owner of a timber property has forced upon him one intent and purpose - to liquidate his investment at a profit. The tax laws, fire dangers, interest charges, and market fluctuations cause any delay in harvesting timber to be filled with risks and mounting costs. A private owner usually cannot bear the cost of growing a forest, protecting it, cutting its trees only as they ripen, or developing its manifold uses and values - for recreation, grazing, and watershed protection. These are public interests in the forest area as a permanent resource.

While great stands of virgin timber are waiting to be cut, few if any logging concerns can afford to protect, improve, or conserve their ownerships while other owners simply harvest their stands. At least they feel they cannot incur the extra cost. Depletion is inevitable, except in forests owned by the state or federal governments.

The end of that era is near, because the large virgin stands are practically gone. The practice of forest production and management is being established on publicly owned forest lands, and the future of the industry in Linn County depends upon whether or not these policies can be carried over also to forest land now in private ownership. To a large degree the economic life of this county depends upon this decision and when it is made.

Forest management works on simple principles that anyone can understand. The main idea is to block off the forest into areas that can be cut in rotation. Logging is then regulated so the last blocks of timber are not cut until the first ones contain commercial trees again. If part of the timber is still virgin trees, produced by nature, the forester knows how to plan for a regulated yearly harvest that will gradually place the whole forest on a sustained yield basis.

The Linn County forest has the capacity to produce 250,000,000 feet of marketable logs annually for centuries to come under this kind of management. With present day logging and milling methods, that means employment for 2,250 workers, and support for the communities where these workers live and trade. That is Linn County's employment goal in logging and milling. True, part of these workers would have their jobs where the logs are milled, but the goose that lays the golden egg roosts in the Linn County forest. Most of these jobs would be in the community where the forest grows.

And that is not half of the picture. The management and care of the forest needs workers. First, a permeating road system is needed. Roads give access to the remote parts of the timber stand where mature logs should be cut under a sustained yield system. They are the keystone of fire protection, acting as fire lanes and highways to transport equipment and fighters whenever fires occur. Roads also increase the recreational and grazing value of the forest. Then telephone lines, trails, buildings, fences, and stream improvements are also necessary for full use and protection of the forest. Workers are needed to build these improvements, and to maintain them after they are built.

Finally, forest culture to grow a good sound crop of trees is part of forest management. A good example is the control of pine blister rust in western pine forests in the 1930's. Planting and encouraging new seedlings is often desirable. Even thinning of young stands and some pruning have been profitable in trial areas.

The national forests in Linn County now use 5.5 seasonal employees per 100,000 acres for 120 days each year. For proper protection and conservation, 11 seasonal employees should be used per 100,000 acres of national forests and 13 for each 100,000 in other ownerships.

The forester's estimate of the total employment opportunity that can be protected and created is now given:

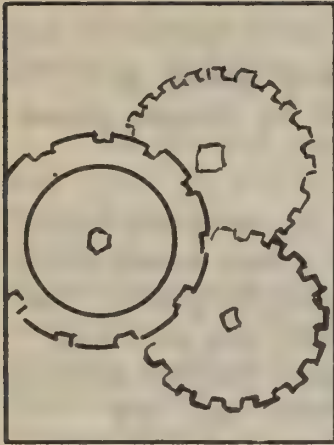
Table 3. Employment Possibilities in the Forest and Timber Industry - Linn County - Peace Time Goal.

<u>Class of Work</u>	<u>Number of Employees Required on Yearly Basis - 250 Days or More</u>
Harvest - logging	990) about 60% of these
Conversion - milling	1,235) in Linn County; 40% in outside mills
Administration, management, and protection - year-long jobs	30
Administration, management, and protection - seasonal jobs	55 (120 seasonal jobs)
Recurrent maintenance	25 (50 seasonal jobs)
Non-recurrent maintenance and development	<u>672</u> (1,400 seasonal jobs)
TOTAL	3,007

There is the picture, and it is one to command leadership in the community. If this goal is not set, if the forest is cut under old policies, and if no effort is made to protect, improve and manage it, the future holds jobs for less than 1,000 workers, who can be employed under sustained production from national, state, and revested forest lands.

Public and private enterprise each have their part in meeting this challenge to use the forests as a constant resource. Public administration of timber land seems necessary to clear the way for sustained yield management, and for a program of forest employment. Private enterprise can logically handle cutting and milling operations. If this compromise is not suitable, another one needs to be found. Let this issue be reopened, for the future of Linn County communities, and jobs for 2,000 workers depend on the decision.

LINN COUNTY'S JOB RESERVE



employment reserve.

The readjustment of Linn County's primary industries should be the keystone of its peace time program, and the necessary companion action is to discover and release many opportunities for people to be usefully employed. Management and care of the forests has already been discussed with this idea in mind. Protection of this valuable resource can provide the equivalent of 782 jobs, although many of them would be seasonal, and therefore they might be dovetailed to some extent with the part-time farming enterprise. These jobs make the first item in Linn County's

Housing can give steady jobs to 120 workers in Linn County for at least 10 years, and to an equal number of people elsewhere making materials and supplies.

The county has about 10,000 houses and 3,700 of them were over 30 years old in 1940. The census classed 2,960 as needing major repairs. Thirty-one percent of the houses in rural districts were valued at less than \$1,000. A "horse-back" survey of rural housing in 1942 showed the largest single group to be cheaply built shack-like dwellings, characteristic of the part-time farm. Two-thirds of the farm houses appeared to need replacement or major repairs.

Linn County people will ultimately decide how many houses are built or repaired. Their incomes and their access to a housing program will influence this decision. But as a guidemark in this study, it is estimated that 1,000 new houses is a reasonable goal during the first 10 years after peace is signed, and 2,000 major repair jobs should be done. Each new house would use the equivalent of one man's labor for a year in actual construction and another man's labor making and transporting materials and supplies. Six major repair jobs would use one man's labor locally and another man's labor elsewhere.

On top of this, more workers can be used in a program to modernize and electrify the homes in this community. One thousand eight hundred thirty-one farms were without electrical service in 1940. Only half of the farms in the county were within one-quarter of a mile of high-line service. Three thousand, eight hundred seventy families were living without running water piped into the

house. Modernization of these homes can create a demand for materials that would make jobs for workers wherever these materials are manufactured.

Dams, Roads, and Public Works can give employment to over 1,000 workers in Linn County, and to 1,600 at places where materials and equipment are made.

The biggest single job waiting to be done is construction of multiple purpose flood control works; three great reservoirs and installations requiring the investment of \$39,900,000. The plans have already been developed and the overall project approved by the U. S. Army Engineers, with the main justification, \$30,000,000 of the total, carried by flood control and the balance by other benefits. This project would employ 738 men locally for 10 years, and double that number elsewhere producing materials and equipment.

The 15-year federal and state highway program, interrupted by the war, calls for investment of \$4,055,000. It would give jobs to 110 people in Linn County, plus an equal number in industries supplying materials. This pre-war plan does not take into account deterioration of roads during the war. It obviously would not consider either the construction of other transportation facilities, notably airfields.

A 6-year self-liquidating federal public works program, already being developed before the war, would offer continuous employment to 74 workers. This covered such improvements as secondary roads, sewage disposal systems, water supply projects, streets, sidewalks, parks, and recreation facilities. The total investment, fully justified by the benefit, would be \$1,037,884.

Old Age Retirement can release jobs for about 1,000 younger farmers and workers. It may appear sanguine to justify the retirement of older workers as a job-making measure, but that angle is certainly worth consideration if we are in dead earnest about the post-war job problem.

There were 2,900 men and women past age 65 in Linn County in 1940. According to the best information the census gives, about 1,300 of these people were still gainfully employed, either as farmers or workers. Some of these older folk, particularly farmers, might not choose to retire. They still enjoy their work. Also, one younger man might be able to do

the work of two older people where manual labor was the task. Still the fact remains that most aged people need the opportunity to retire. In Linn County it is estimated that an old-age security plan could make new opportunities for 1,000 younger farmers, workers, and professional people.

We should use some vision in devising a retirement plan, and then it would serve people better. Older people do not want idleness. Older farmers often desire most of all security, gardens, a few livestock, and proper housing. They are clinging to their farms because the farm and the home are inseparable. Perhaps arrangements could be made whereby the real estate equities of aged farmers might be invested in well-planned retirement homesteads where they could live comfortably with the aid of old age security income. A plan of this kind might be important in Linn County, because about 600 farm operators are past 65, and opportunities on the land for service men will certainly be hard to provide.

A Health and Medical Care Program can make stronger, happier people in this county, and at the same time open up opportunities for demobilized doctors, dentists, nurses, and workers. No single investment by any community can yield richer dividends.

Health and medical care in Linn County were not particularly below par in 1940, but "par" is a good distance below the practical standard a modern American community can well afford. The health condition of young men called up for military service has given timely evidence on that point. By the middle of 1942, over one million young men between 21 and 35 had been rejected as unfit for service because of defects in health. At the present time, one man is being rejected for medical reasons out of every three examined. Lack of an efficient plan to prevent illness is the main cause for this deplorable condition. Health education, systematic examination of children and adults, attention to water supplies and sanitation, and an insurance method for paying the costs of medical care are all needed. Linn County might well afford these services.

The medical and dental facilities in this county in 1942 included 13 doctors, 12 dentists, and two hospitals with a total of 80 beds. Nursing service was available for seriously ill people. One public health nurse was located at Albany. Those facilities served the population of 30,000, though some people undoubtedly went to doctors in such larger cities as Salem, Portland, and Eugene. At that time none of the physicians or dentists had yet entered military service.

A really adequate health and medical service for this community would use more personnel. It would need one doctor for each 1,500 people, making 20 doctors. It would also need about 16 dentists and 5 public health nurses. A public health officer with a good grasp of preventive medicine would be required, and he should be assisted by a competent sanitary engineer.

A population this size will need about 3,200 days of hospital service each year. This would use about 90 beds to capacity. Since some people go outside the county for service, the 80 beds now furnished would probably serve a static population, but Linn County is growing. Within a very few years, the hospital capacity should be increased to 100. Also, the present hospital buildings and equipment may need modernizing. One was built in 1918 and the other in 1924.

As an employment project, this program may not seem to have great significance, and its value should never be judged from that angle. Yet, a proportionate increase in the demand for physicians, represented by seven in Linn County, would offer employment to 30,000 physicians in the United States. Since there were only 180,000 doctors in the country in 1940, such an increase in use of service certainly should remove the barriers to full employment in this professional field. The problem before the war was a poor distribution of service, with an over-supply of physicians and dentists in many of the larger cities, and a lack of needed service in rural areas. A modern health and medical program, established on the insurance principle, is the best way to solve this problem. Through the medium of well organized health services, stressing both preventive and remedial medicine, doctors and people can be brought together to the mutual advantage of both.

A Total of 2,800 jobs in Linn County and 1,700 elsewhere have been mentioned. One thousand of these are existing jobs or farms that might be vacated as the result of an old age security program. It is obvious that 4,500 jobs are far more than the number necessary to provide opportunities for 600 subsistence farmers who actually have no future in agriculture.

The march of real events and the vision of people in Linn County will test these estimates, showing possibly a still greater reservoir of employment that may be drawn upon as needed to fight depression and enrich this community.

A final idea needs emphasis; namely, that jobs breed more jobs. Employment is dynamic, and so is unemployment - in the opposite direction. When Linn County adds 2,800 effective producers to its working force, either by redirecting the efforts and efficiency of its present workers, or by adding new people, it creates both wealth and the ability to consume.

Twenty-eight hundred new producers in Linn County would have to eat, live in houses, and wear clothes, just the same as anyone else. Other people would have to be employed providing for these needs. Most of the goods used by these workers would be manufactured elsewhere, out of raw material produced elsewhere, and would require wholesale and transportation service elsewhere.

The number of jobs created in this cycle is judged by some economists to be two for every one man who is employed at a primary occupation. Whatever the exact ratio, it is the one that makes the full employment of people contagious, and unemployment a vicious downward spiral.

HOW CAN THESE THINGS BE DONE?

There is useful work in Linn County to employ its people, its soldiers, and many from outside. This community can help solve the job problem in war work centers when demobilization day comes, through forest work and other valuable improvements. Above all, Linn County can strengthen the demand for workers in Portland, Detroit, Birmingham, Chicago, and other places, by seeing that its own farmers and workers can be full producers and consumers. And Linn County will expect other communities to reciprocate concerning lumber, veatch seed, wool, meat, and plywood.

There is no insurmountable barrier to full employment and an abundant life in this western community. More pages could be written describing in detail how a program could be organized, what the costs would be, and how they would be met. But that is not the center of this problem. The real issues are in the field of democratic action. The decision rests with people in communities just like this one, and with their chosen leaders. Let us hope they may act courageously and wisely, and that the people inform themselves. Let us hope also for a strong faith in victory, because the post-war battle can be won.

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Full responsibility for all of its contents, however, is assumed by the Farm Security Administration, Region XI, 211 Terminal Sales Building, Portland, Oregon.

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